United States Treasury definitive bearer bond.

CUBES refers to the Treasury's Coupons Under Book-Entry Safekeeping program. A CUBES security is a definitive coupon detached from a United States Treasury bond and held in CUBES.

Depository institution means an entity described in section 19(b) of the Federal Reserve Act (12 U.S.C. 461(b)).

Federal Reserve Bank or Reserve Bank means a Federal Reserve Bank or Branch.

Non-callable refers to a United States Treasury bond not subject to call before maturity. Non-callable coupons are coupons associated with a non-callable bond, and coupons associated with a callable bond that are due on or before the date upon which the callable bond is subject to call.

Non-transferable means that the ownership of a security held in BECCS or CUBES may not be transferred, pursuant to the provisions of section 358.4 of this part.

Transferable means that the ownership of a security held in BECCS or CUBES may be transferred, pursuant to the provisions of § 358.4 of this part.

§ 358.2 Governing regulations.

CUBES and BECCS securities are deemed to be securities for purposes of, and upon their conversion to book-entry are governed by, subparts A, B, and D of part 357 of this chapter. Notwithstanding the provisions of part 357 of this chapter, certain CUBES and BECCS securities are non-transferable, pursuant to § 358.4 of this part.

§ 358.3 Securities not eligible for conversion.

(a) Detached bearer coupons and bearer corpora that are submitted within 30 days of their maturity date or, if the call provision has been invoked, within 30 days of their call date, will not be accepted for conversion.

(b) Bearer corpora with a maturity date on or before November 15, 1998, will not be accepted for conversion.

§ 358.4 Transferability.

In order for a callable corpus to be eligible for conversion to a transferable BECCS security all associated callable coupons must be submitted with the corpus. These callable coupons will be linked with the corpus within BECCS when converted. Once the coupons are linked to the corpus, they may not be separately transferred. If all of the callable coupons associated with the corpus are not submitted with the corpus, the corpus will be converted to a non-transferable BECCS security, and the remaining callable coupons submitted with the corpus will be converted to individual non-transferable CUBES securities. A corpus that is not subject to call will be converted to a transferable BECCS security. Non-callable coupons will be converted to transferable CUBES securities.

§ 358.5 Submissions of detached bearer coupons and bearer corpora.

(a) Detached bearer coupons and bearer corpora must be submitted to the Federal Reserve Bank of New York in accordance with Federal Reserve Bank of New York procedures and must be accompanied by an approved form, executed by an authorized officer of the submitting depository institution.

(b) Until verified by the Department, submitted detached bearer coupons and bearer corpora will be subject to rejection or adjustment.

§ 358.6 Delivery of detached bearer coupons and bearer corpora.

The depository institution shall bear the expense and assume the risk of loss associated with the delivery of the detached bearer coupons and bearer corpora to the Federal Reserve Bank of New York. The United States shall bear the expense and assume the risk of loss associated with the delivery of the submitted detached bearer coupons and bearer corpora between the Federal Reserve Bank of New York and the Department. The depository institution shall bear the expense and assume the risk of loss associated with the delivery of any detached bearer coupons and bearer corpora that are returned to the depository institution.

§ 358.7 Fees for conversion transactions.

The depository institution will pay a fee for each CUBES and BECCS conversion transaction processed. The fees for